(vii) Budgetary and fisancial constraints that may be hampering the growth of the sector.

(f) The main recommendations of the Committee and the action taken thereon are given in the Statement.

**Statement**

*Note on the action taken on the recommendations of the Inter-Ministerial Committee*

| Sl. No. | Brief Recommendations | Action taken by Ministry of Textiles |
|---|---|---|
| 1 | NABARD should explore the possibility to expand the flow of finance through commercial banks to the primary weavers co-operative societies. SIDBI may identify ways of augmenting credit to weavers outside the co-operative fold. State level Standing Committees may be set-up in major Handloom producing States to go into the individual cases relating to problems of credit. | Concerned State Governments have been directed to constitute Standing Committees The States of Kerala, Andhra Pradesh Uttar Pradesh and West Bengal have already constituted these Committees. NABARD has examined the proposal and has stated that it is not possible to make available Nabard refinance through Commercial banks for Primary Handloom Weavers' Societies. |
| 2 | The issue of abolition of sales tax/multiple tax on inputs required by the Handloom sector should again be taken up with the State Governments. | The Chief Secretaries and Chief Ministers/ Governors of all States have been requested to abolish sales tax and octroi duties on all inputs used in the handloom sector irrespective of whether they are produced within or outside the States. |
| 3 | The proposal for levy of concessional rate of excise duty on dyes and chemicals supplied to handloom agencies may be considered. | The proposal could not be considered by Ministry of Finance in view of the recommendations of the Committee constituted under the chairmanship of Dr. Chelliah to do away with the end-use based exemptions. Ministry of Textiles have however, reiterated the stand and requested Ministry of Finance to re-consider the proposal. |
| 4 | A technical group should be constituted to find the ways and means of improving the collection of excise duty from decentralised powerloom sector and processing houses so as to prevent excise evasion by these units. | Ministry of Finance has issued modus operandi circulars to ensure that evasion is prevented. |
| 5 | The committee supported the proposal for creation of Handloom Development Fund. | The proposal for creation of a Handloom Development Fund has been withdrawn and in its place the scheme for setting up 3,000 Handloom Development Centres and 500 Quality Dyeing Units in various parts of the country has been approved for implementation. |

**Comptroller and Auditor General's Report on the Functioning of Central Silk Board**

1571. SHRI MOHINDER SINGH LATHER :

SHRI DIGVIJAY SINGH :

Will the Minister of TEXTILES be pleased to state :

(a) whether the Comptroller and Auditor General of India has submitted a report on the functioning of the Central Silk Board and whether Government have examined the comments made therein ;

(b) if so, what are the details of the report and Government's comments thereon ; and

(c) what steps have been taken/proposed to be taken by Government on he various impediments brought out by the C & AG in his report on the functioning of the Central Silk Board ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY) : (a) to (c) The important recommendations made by the Comptroller & Auditor General of India in its review on the working of the Central Silk Board are as under :—

(i) There is a need to revise the existing financial powers of the Board.

(ii) Setting up of zonal offices of the Board may be considered for maintaining close coordination with State Governments.

(iii) Periodical review of the research activities of the Board may be undertaken with a view to fix priorities and avoid duplication.

(iv) Necessary measures need to be taken to attain the targets of training of farmers/reelers and to obtain a feedback on the results of training.

(v) Emphasis should be laid on promoting the adoption of bivoltine silkworm races in selected areas.

The above recommendations have been taken note of for consideration and appropriate action. The Central Silk Board has been directed to ensure that the Scientific Advisory Committees may meet at regular intervals to review the progress of research projects. The Board has also been directed to intensify its efforts to achieve the targets of training and to obtain regular feedback on the results of the same. Similarly, greater emphasis will be laid on promoting the adoption of bivoltine silkworm races in selected areas.

**Recommendations of Abid Hussain Committee**

1572. SHRI PRAGADA KOTAIAH : Will the Minister of TEXTILES be pleased to state :

(a) whether it is a fact that the Abid Hussain Committee on review of the 1985 Textile Policy has recommended that "Support for Handloom Weavers should be universal and not based on membership of corporate or cooperative bodies" ;

(b) if so, the action taken thereon ; and

(c) whether Government have received any representation requesting for the implementating of the recommendations of the Abid Hussain Committee and the action taken or proposed to be taken in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY) : (a) Yes, Sir.

(b) It was decided that the co-operative coverage in the handloom sector should be increased and at the same time, support to handloom weavers would also be available to weavers outside co-operative wherever it is practically possible to do so. Government accordingly modified some of the schemes presently implemented in the handloom sector.

(c) A representation dated 5th November 1993 had been received from Shri Progada Kotaiah, MP and a reply sent on 7th December, 1993.

**Silk Production in Karnataka**

1573. SHRI P. UPENDRA : Will the Minister of TEXTILES be pleased to state :

(a) whether the production of silk in Karnataka is suffering due to the stringent regulations of the State Government on the corporate sector projects ; and

(b) whether the Central Government have requested the State Government to modify the regulations ?